

Presentation to the
House Ways and Means Committee
The Honorable Dennis Bonnen, Chair
February 17, 2015

An Overview of the 2016-17 Biennial Revenue Estimate

Presented by:
Tom Currah
Chief Revenue Estimator
Texas Comptroller of Public Accounts

General Revenue-Related Funds

\$113 billion available in 2016-17 for general purpose spending

A 9.5% increase from an estimated \$103.2 billion for the 2014-15 biennium

Revenue Available for General Purpose Spending 2016-2017 Fiscal Biennium

Amounts in Billions

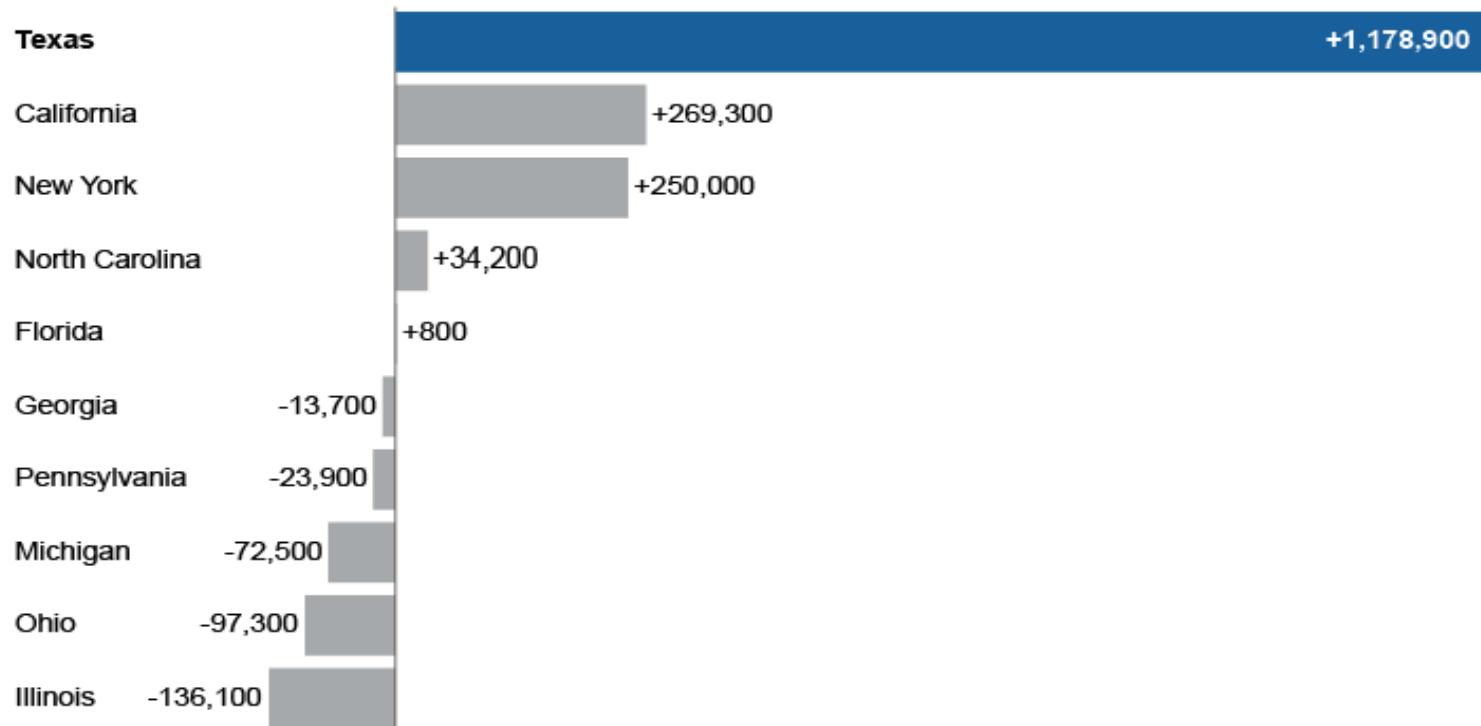
Beginning Balance	\$7.5
PLUS General Revenue-Related Collections	\$110.4
LESS Reserved for Transfers to Economic Stabilization Fund	(\$2.5)
LESS Reserved for Transfers to State Highway Fund	(\$2.5)
Revenue Available for General Purpose Spending*	\$113.0

*Total does not sum due to rounding.*** General Revenue-related funds available for certification.*

Source: Texas Comptroller of Public Accounts

Nonfarm Employment Change in 10 Largest States

Net change from January 2008 - November 2014



Source: U.S. Bureau of Labor Statistics

Texas Economic Growth

Annual Increase, Real Gross State Product

FY 2012	6.8%
FY 2013	4.3%
FY 2014	3.7%
FY 2015*	3.0%
FY 2016*	3.2%
FY 2017*	4.1%

* Projected

State Tax Collections

All Funds, Excluding Trust

FY 2012-13 \$ 91.86 billion

FY 2014-15* \$102.79 billion

FY 2016-17* \$108.97 billion

*Projected

Sales Taxes

All Funds, Excluding Trust

FY 2012-13 \$50.14 billion

FY 2014-15* \$56.46 billion

FY 2016-17* \$61.48 billion

*Projected

Motor Vehicle Sales and Rental Taxes

All Funds, Excluding Trust

FY 2012-13 \$7.44 billion

FY 2014-15* \$8.83 billion

FY 2016-17* \$10.11 billion

*Projected

Franchise Tax

All Funds, Excluding Trust

FY 2012-13 \$9.36 billion

FY 2014-15* \$9.23 billion

FY 2016-17* \$9.57 billion

*Projected

Severance Taxes

Oil Production and Regulation Taxes

All Funds, Excluding Trust

FY 2012-13 \$5.09 billion

FY 2014-15* \$6.64 billion

FY 2016-17* \$5.69 billion

*Projected

Severance Taxes

Natural Gas Production Tax

All Funds, Excluding Trust

FY 2012-13 \$3.03 billion

FY 2014-15* \$3.51 billion

FY 2016-17* \$3.23 billion

*Projected

Other Taxes

Expected Revenue, 2016-17 Biennium

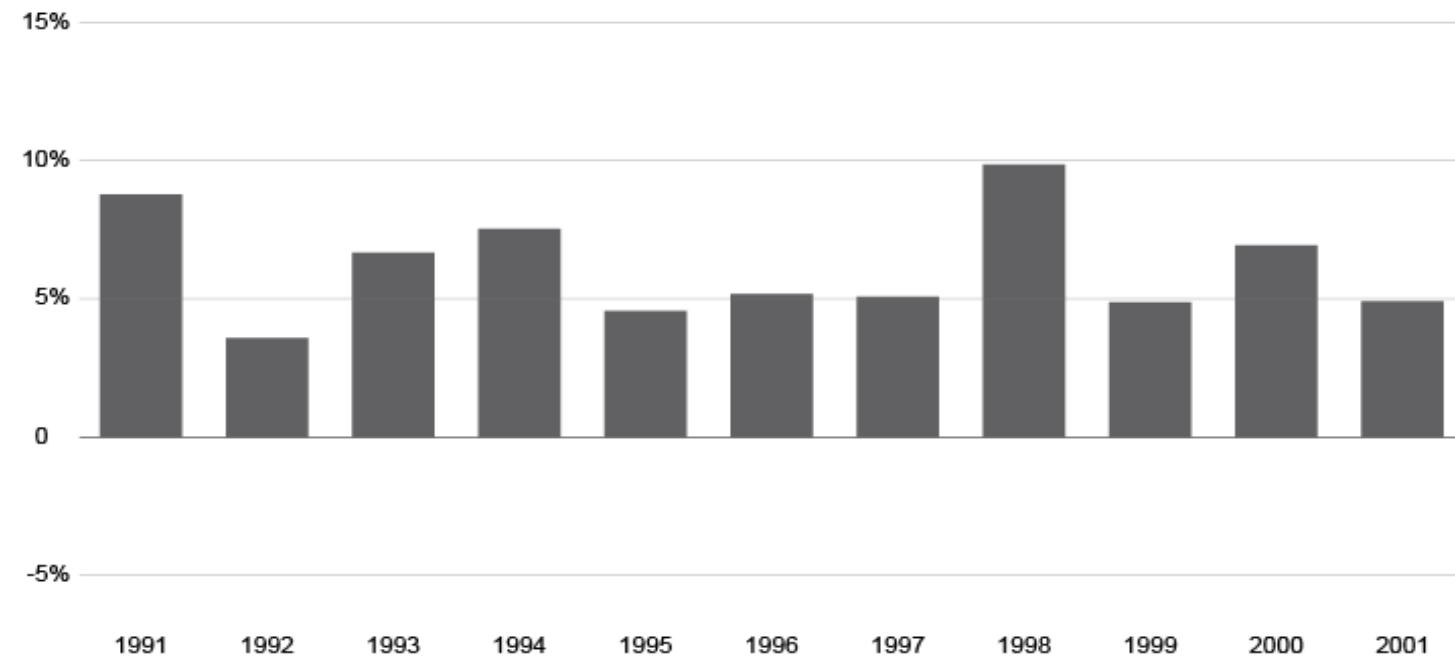
All Funds, Excluding Trust

Motor Fuels	\$7.0 billion
Insurance	\$4.3 billion
Tobacco	\$2.6 billion
Alcoholic Beverage	\$2.4 billion
Hotel Occupancy	\$1.2 billion

Increased Volatility in Sales Taxes

From 1991 to 2001, sales taxes grew every year, but never by 10 percent or more.

Year-over-year percent change in collections.

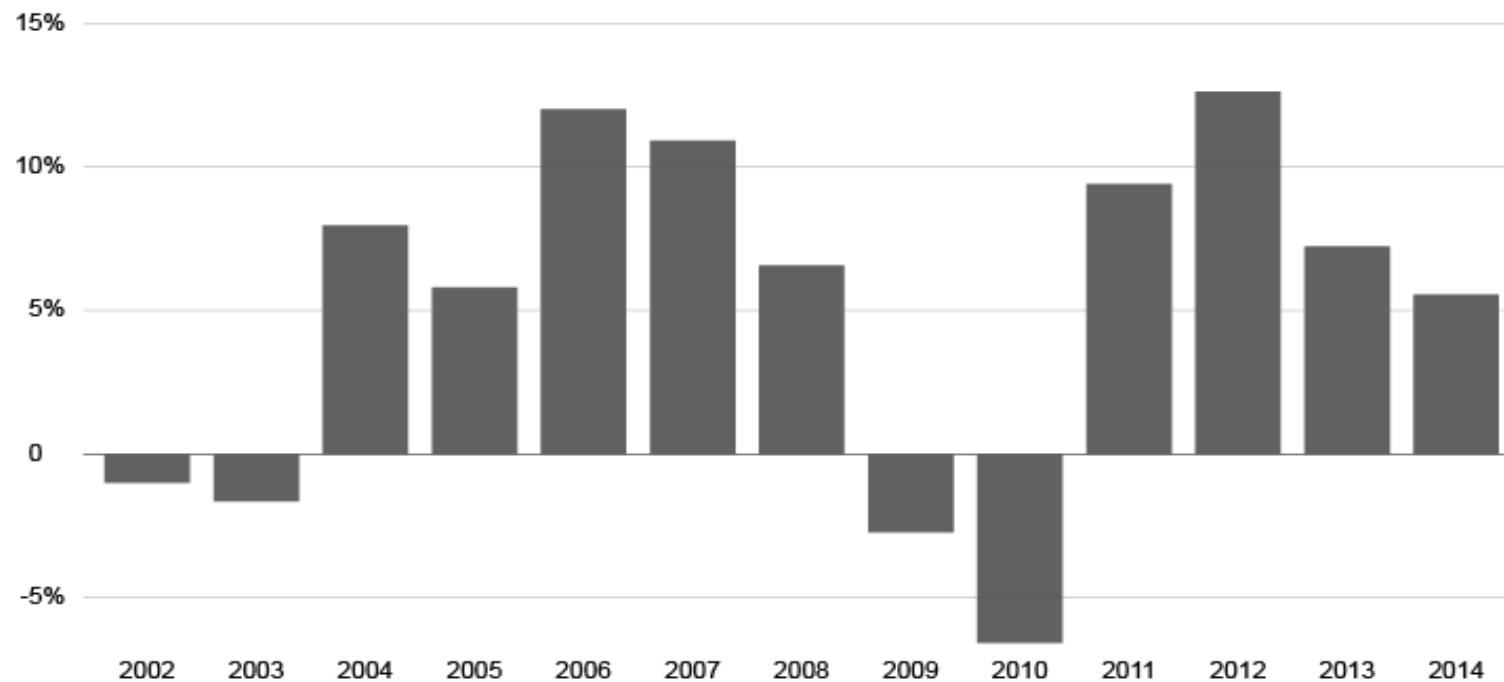


Source: Texas Comptroller of Public Accounts

Increased Volatility in Sales Taxes

From 2002 to 2014, revenues from sales taxes declined four times and grew by more than 10 percent three times.

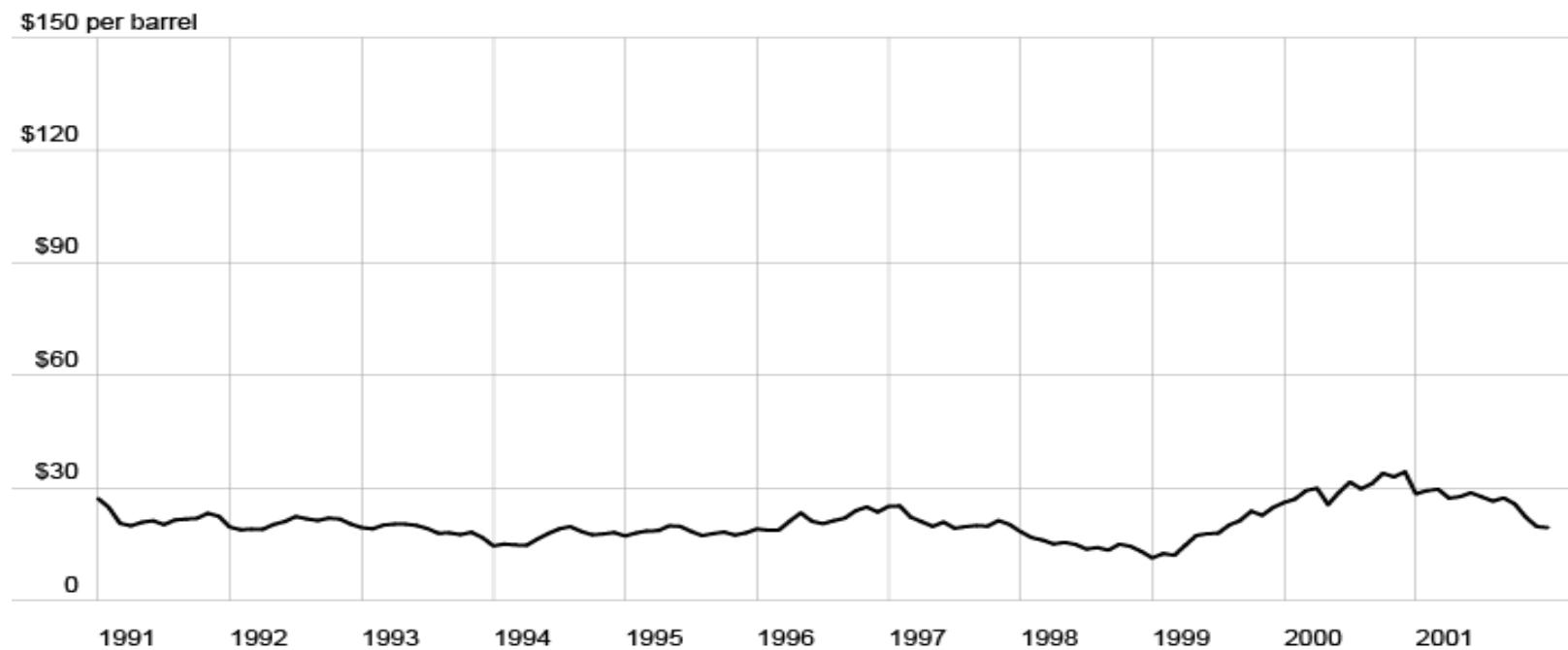
Year-over-year percent change in collections.



Source: Texas Comptroller of Public Accounts

Average Monthly Oil Futures Market Prices, 1991-2014

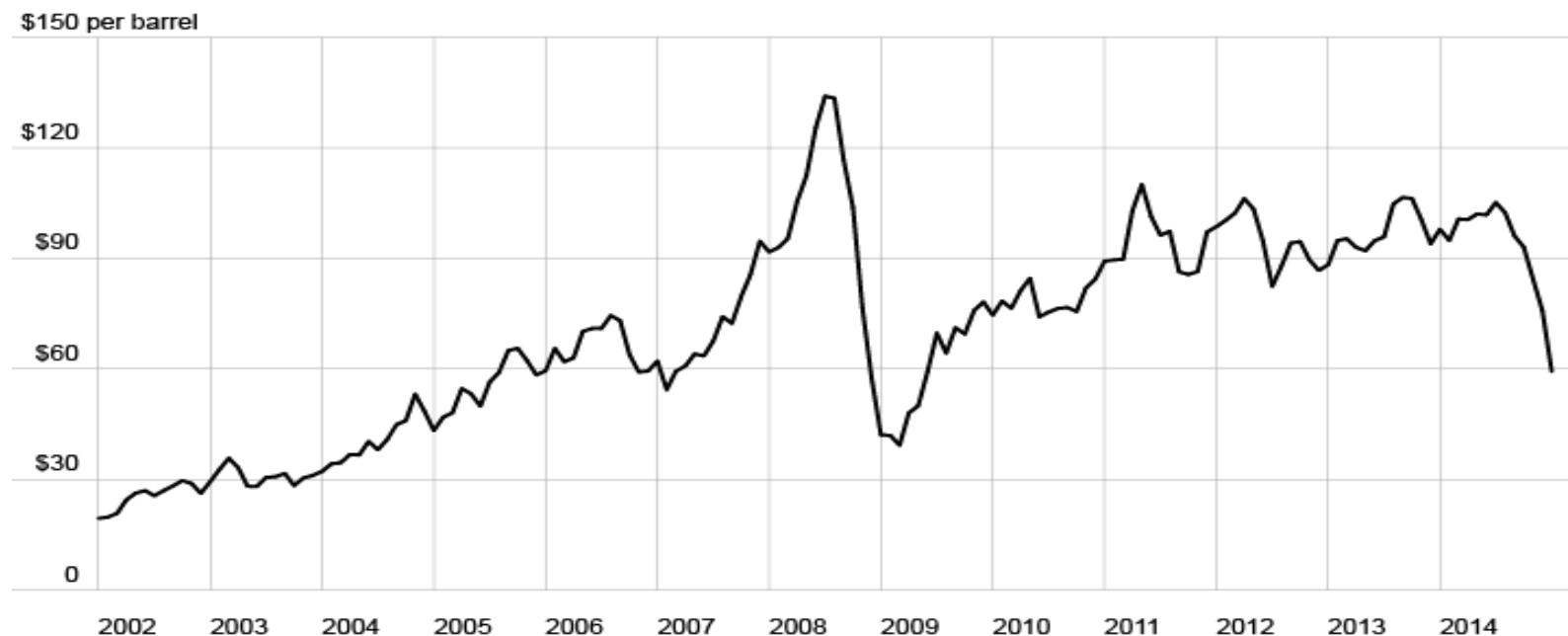
From 1991 to 2001, monthly average oil prices ranged from \$11.31 to \$34.26 per barrel.



Source: U.S. Energy Information Administration

Average Monthly Oil Futures Market Prices, 1991-2014

Since 2001, monthly average oil prices have varied more widely, from \$19.73 to \$134.02 per barrel.



Source: U.S. Energy Information Administration



Tom Currah
Revenue Estimating Division
Texas Comptroller of Public Accounts

tom.currah@cpa.texas.gov